

Message

From: Patefield, Scott [Patefield.Scott@epa.gov]
Sent: 12/21/2017 9:30:30 PM
To: Beeler, Cindy [Beeler.Cindy@epa.gov]
Subject: IPAA Exec VP, Fuller Oil Patch Article - NSPS OOOO; Fat-tail Emissions from "some type of Failure"
Attachments: Fuller Oil Patch Article.pdf; ATT00001.htm

The University of Texas study included onsite emissions monitoring. One of its most significant findings was that the emissions profile from production operations included a substantial "fat tail" component. That is, while most of the equipment was characterized by low emissions, a small segment would have higher releases due to some type of failure. It raised the challenge of developing fugitive emissions management programs that target correcting this small segment cost effectively.

Approximately 80 percent of American oil wells and two-thirds of American natural gas wells are marginal wells. The average marginal oil well produces about 2.2 barrels per day and the average marginal natural gas well produces about 22 mcf per day. Yet, collectively, these wells produce 10 to 20 percent of U.S. oil and 12 to 13 percent of U.S. natural gas.

Multiple parties responded to the Subpart OOOOa regulations seeking judicial repeal and administrative reconsideration in July-August 2016. The Independent Petroleum Association of America (IPAA) and 18 other trade associations, the American Petroleum Institute, the Western Energy Alliance, the Texas Oil and Gas Association, the Interstate Natural Gas Association of America, North Dakota, Texas, West Virginia and 13 other states filed to challenge the Subpart OOOOa regulations in the D.C. Circuit Court; the litigation was consolidated as *North Dakota v. EPA*. Additionally, the IPAA group and others filed petitions for reconsideration on several issues with EPA.

- In April 2017, EPA acted to put the *North Dakota v EPA* case in abeyance until it could reconsider the Subpart OOOOa regulations. In May 2017, the D.C. Circuit Court agreed.
- In late May 2017, EPA announced a 90-day stay of several components of the Subpart OOOOa regulations including the fugitive emissions program that was scheduled to begin in June. A coalition of environmental groups filed action to block the stay.
- In mid-June, EPA proposed a two-year suspension of these components of Subpart OOOOa.
- On July 3, 2017, the DC Circuit Court agreed with the environmental groups and vacated the 90-day stay while mandating immediate application of the regulations.
- On July 7, 2017, EPA appealed the mandate and sought additional time. The Court sought responses to the EPA appeal during the week of July 11 and delayed the mandate for an additional 14 days to allow EPA to decide its next course of action.
- Meanwhile, the two-year suspension is undergoing its comment period under the Administrative Procedure Act.

This issue of reconsideration will continue to be a ripe forum for litigation for the foreseeable future whether it is related to initiating reconsideration or the regulations that might ultimately be proposed.

Sent from my iPhone

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Begin forwarded message:

From: "Thompson, Christopher" <Thompson.Christopher@epa.gov>

Date: December 20, 2017 at 4:31:18 PM MST

To: "Patefield, Scott" <Patefield.Scott@epa.gov>, "North, Alexis" <North.Alexis@epa.gov>, "Wilwerding, Joseph" <Wilwerding.Joseph@epa.gov>, "Ostrand, Laurie" <Ostrand.Laurie@epa.gov>, "Portmess, Jessica" <Portmess.Jessica@epa.gov>, "Hammond, Lauren" <Hammond.Lauren@epa.gov>, "Dean, Abigail" <Dean.Abigail@epa.gov>, "Muller, Sheldon" <Muller.Sheldon@epa.gov>

Subject: Fuller Oil Patch Article.pdf